

Alaska Energy Cost Reduction Program Progress Report

Grantee: Alaska Power and Telephone Company

Project Name: Allakaket Power Plant Relocation

Grant # 169-05

Period of Report: First Quarter 2006 (January 1 to March 31, 2006)

Project activities completed:

New powerhouse construction continues in the AP&T Seattle shop. The majority of the powerhouse construction materials have been ordered and scheduled for delivery at the end of April 2006. The powerhouse modules are being fabricated and assembled in the shop. The garage and storage modules are being prepared for shipment to Allakaket from Seattle.

New powerhouse engine-generator sets have been delivered to the Seattle based AP&T shop and assembled on machine skids. The new switchboard / switchgear was ordered and scheduled for delivery in April 2006.

A Request for Additional Funding has been submitted to the Denali Commission and will be discussed in the upcoming Infrastructure Meeting scheduled for next week.

The new project manager and staff continue working with Alaskan engineers to address concerns about foundational pads and permafrost resulting from previous planning and native work done. A trip was made to Allakaket to gather elevation statistics and foundational pad samples then meet with local officials to gain access to heavy equipment to haul more gravel. The information and samples were given to Summit Consulting for suggestions on proceeding with the pad construction.

Six hundred sheets of 40-PSI thick blue board were ordered for pad insulation, with partial arrival already to the Fairbanks, Alaska. Two hundred sheets are scheduled for flight into Allakaket on April 5.

All but the last remaining permit has been issued for this site. Surveyors were contacted as to their availability to survey in the lot, per DOT / FAA requirements.

Project existing or potential problems:

- Backordering of materials delaying schedules
- Late breakup and/or heavy precipitation delaying foundational pad completion
- Foundation pad reconstruct to meet the permafrost engineering experts' requirements
- Competition with FAA for local labor and equipment

Activities targeted for Next Reporting Period, June 2006:

- The last permit for DOT leased lot by airstrip for garage conex issued
- Make final determination on foundation pad construction methods
- Ordering foundation pad materials for both the power house and garage
- Early containerized shipments will include insulation board, and treated lumber
- Onsite work will continue as weather and ground conditions allow
- Offsite work will continue with assembly of the powerhouse equipment and modules. The powerhouse will be fully assembled and tested in the Seattle facilities. The schedule, presently, is for powerhouse to be completed and ready for testing at the end of April.